



The President's Daily Brief

2 August 1973

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exemption category 5B(1),(2),(3)
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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

2 August 1973

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PRINCIPAL DEVELOPMENTS

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Cambodia
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Romanian President Ceausescu apparently is contemplating a new Middle East peace initiative. (Page 2)

In Chile, the Christian Democrats expect a negative reply from President Allende today to their reiterated terms for a political truce with the government. (Page 3)

Notes on Libya, EC-US, and East Germany appear on Page 4.

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CAMBODIA - SOUTH VIETNAM - THAILAND

[Redacted]

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[Redacted]

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EGYPT-ROMANIA

Romanian President Ceausescu is apparently contemplating a new Middle East peace initiative.

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[Redacted]

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[Redacted]

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[Redacted] Sadat [Redacted]

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[Redacted] seems willing to discuss some new form of dialogue, possibly with Romanian mediation. Egyptian Presidential Adviser Hafiz Ismail is planning to visit Bucharest, apparently at Romania's invitation, to discuss settlement prospects. He will arrive Friday and probably will meet with President Ceausescu.

Romania, as the only East European state to maintain full diplomatic relations with Israel and the principal Arab states, is in a good position to act as middleman. There has been no indication, however, that Israel has so far been contacted.

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CHILE

President Allende has promised to reply today to the Christian Democrats' restatement of their terms for a political truce, according to opposition party president Aylwin. Aylwin expects a negative answer

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In the anticipated absence of an agreement with Allende, Christian Democrats are discussing various forms of congressional action including impeachment of the entire cabinet.

Two meetings between the party and government leaders on July 30 were unproductive, and Allende's subsequent efforts to stall for time apparently have been unsuccessful. Aylwin sent a letter to Allende on July 31 reiterating opposition demands that the government agree to bring the military back into the government, implement a controversial bill on the economy, disarm the workers, and return factories seized last month to their owners.

Allende faces the difficulty of formulating a reply that will keep alive the dialogue with the Christian Democrats, but at the same time keep his Popular Unity coalition together. He fears that if he negotiates a compromise with the Christian Democrats, his own Socialist Party might leave the coalition claiming that he has "betrayed the revolution."

Violent incidents continue to increase with the most serious cases involving government efforts to requisition idle trucks. The government may be making some headway, however, in negotiating an end to the partial bus owners' strike. A break could also be coming in the standoff between the regime and striking truck owners.

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NOTES

Libya: Negotiations with the oil companies have resumed, and the government is again concentrating its demands on the major independent producers, Occidental and Oasis. It has threatened a complete take-over on August 15 unless a settlement is negotiated that includes government acquisition of 51 percent of company assets and an oil buy-back agreement. This proposition represents a major withdrawal, however, from the "100-percent participation" that Libya was demanding earlier.

EC-US: Although the French have conceded that President Nixon's visit to Europe could be the starting point for a dialogue with the European Communities, spokesmen for several member states have cautioned that Europe will not be united in time for the meetings. The British have cited the difficulty of getting the nine EC members to agree on fundamental questions and have warned US diplomats not to press Europeans to "go too far too fast." The West Germans say they doubt that a definitive relationship between Western Europe and the US can be worked out until after a united Europe has become a reality. The Dutch maintain that Europe is "not ready" to meet the President. All the above spokesmen claimed, however, that their governments would try their best to cooperate with the US.

East Germany: Walter Ulbricht's death will not have much impact on the East German regime. Ulbricht had been without effective power since Erich Honecker replaced him as general secretary of the party in May 1971. Honecker is in firm control of the political apparatus, in part because of the uncertain health of his only possible rival, Minister-President Willi Stoph.

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